

PERCEIVED EMPLOYABILITY SKILLS OF GRADUATING STUDENTS: IMPLICATIONS FOR SMES

Abstract

Companies and employers are complaining that they do not have enough supply of manpower despite the high rate of graduates produced by the higher learning institutions. It results in graduates being unemployed or getting jobs that do not commensurate with their qualification. Whilst the phenomenon of unemployed graduates has been attributed to a number of factors, one being the selective attitude of the graduates themselves, past studies have indicated that unemployment problem lies in the mismatch between the skills required by employers and those possessed by the potential employees. In general, the industry needs both the technical skills which most graduates have, and the soft skills, which unfortunately they lack. To ensure the employability of their graduates, higher education institutions, therefore, need to equip their students with the right skill set. This study aims to measure the employability skills among the final year undergraduate students in UNITAR. Eight variables that make up the employability skills namely communication skills, English language proficiency, ICT skill, team working skill, leadership skill, interpersonal skill, problem solving and adaptability skills. Data were collected through a set of questionnaire and a descriptive analysis of the data was done to find out the level of employability skills among the respondents. Students' demographic data such as age, gender and area of specializations were used to compare their employability skills. Discussion and recommendations are then made based on the result of the analysis.

Keyword: *employability skills, graduates, employers, employment*

Background of the Study

Based on a report in Malaysia Today entitled "Malaysia Has 60 000 Graduates Unemployed" (2005), the government has conducted a survey and found that around 60,000 Malaysian graduates are unemployed due to lacking in certain skills such as communication skill, poor command of English and no working experience. Further, it has been reported by the Deputy Minister of Human Resources that a large number of graduates are still jobless. From the report, it was found that 70% of graduates from public universities, 26% from the private higher learning institutions and 34% of those graduated from foreign universities are still jobless (Suresh, 2006). This phenomenon is alarming as this indicates that the graduates are not qualified to be employed. Where do we go wrong?

Some put the blame on the educational system in the higher learning that ignores the importance of instilling the imperative skills such as communication skill, leadership skill and adaptability skill. A workshop has been conducted by the Economic Planning Unit in 2004 with the agenda to discuss the mismatch between the skills possessed by graduates with the demanded skills by the employers. In the workshop, employers' representatives such as Malaysian Employers Federation (MEF), Jobstreet.com and Federation of Malaysian Manufacturers were invited to present their cases and expectations on potential employees. From the workshop, they generally agreed that Malaysian graduates are lacking in certain skills especially leadership, problem solving, communication, adaptability, interpersonal and team working. Another major weakness of the graduates is poor English proficiency. It was reported that generally, Malaysia has sufficient supply of graduates with technical skills mainly in information, communication and technology (ICT), business, engineering and many others. But at the same time, the demand for these graduates is relatively low despite the rapid economic growth (Ungku Harun Al-Rashid, 2004). What is the possible factor for this phenomenon?

There seems to be a general consensus among the employers that our graduates are well trained in their areas of specialization but they are lacking in 'soft skills'. This 'deficit' in graduate skills has also been acknowledged by the UK government (Dickinson, 2000). Lawrence (2002) adds that the trade press, the business press and the national media have been reporting regularly that America is also experiencing the same problem despite its strong economy. It is evident that the main problem is not worker shortage rather skills shortage. What are other skills required by the employers? Do higher educational institutions not offer courses relevant to the industry needs?

Studies of employer needs have repeatedly stressed the priority which they give to "personal transferable skills" (Dearing Committee, 1997). They are looking for graduates not only with specific skills and knowledge, but with the ability to be proactive, to see and respond to problems. In Malaysia, more employers now are also searching for graduates who are balanced; having good academic achievement and possessing 'soft skills' such as communication skills, problem solving skills, interpersonal skills and ability to be flexible. These 'soft skills' (also known as 'employability skills') are foundation skills that apply across the board, no matter what job the employee is performing (Lawrence, 2002). The need for employees with multi skills is much higher in smaller firms particularly in small and medium enterprises (SMEs) (Lange, Ottens and Taylor, 2000; Ross, 2003). Unlike smaller businesses, larger organizations tend to have more hierarchical structures that allow the employees to have fixed job

descriptions (Burns, 1984). Thus, the employees can to certain extent specialize in a specific area. But the scenario is different in smaller organizations that are flatter in structure and less hierarchical. Thus, the employees are required to be all-rounder and to be able to perform multi tasks.

It is clear that regardless of occupational area, employability skills are critical for success on the job. Having realized this fact, higher educational institutions should not only offer courses relevant to industry needs but also should move one step further to embed employability skills in their undergraduate programs. Since there is a growing concern about the employability of graduates, the present study will take the challenge to investigate the perceived employability skills among UNITAR graduates. The study findings are hoped to give some insights to the university on the extent of employability skills possessed by its graduates and to gauge the opportunity of the graduates being employed. It also seeks to contribute to small businesses particularly SMEs by providing some understanding on the current scenario with respect to their potential workers.

Research Objective

The main objective of the study is to measure the perceived employability skills of students. Based on prior research and survey conducted (such as Ungku Harun Al-Rashid, 2004; Chang, 2004; Azizah, 2004; Lawrence, 2002), major skills that are highly required by employers are language proficiency, communication skill, leadership skill, ability to work in team, problem solving skill, interpersonal skill, adaptability skill and ICT skill.

Literature Review

Since the 1980s, there has been a pressure on higher educations to produce graduates with skills relevant to industry demands. The increasing pressure indicates that higher education should play an important role in meeting with the needs of the economy in order to ensure future competitiveness (Ball, 1990; Industrial Research and Development Advisory Committee, 1990). This problem is raised due to the shortage of skills among employees. For as long as there have been reports about the shortage of skilled workers, there have also been reports and surveys of employers saying that they need workers with soft skills such as communication and other interpersonal skills. These soft skills are also known as 'employability skills' (Lawrence, 2002).

Examples of employability skills include: communication skills, teamwork skills, problem solving skills and self management skills. These skills are needed as the natures of jobs are changing. For example, at one time clerks spent most of their time typing documents, arranging files and scheduling meetings. Now because of job redesign, clerks are given more tasks and responsibilities including entertaining customers' calls. This requires communication skills to meet customers' needs and good proficiency in English. As reported in an article titled "30000 Grads in Unsuitable Jobs" (2005), Human Resources Minister of Malaysia, Datuk Wira Dr Fong Chan Onn quoted from a study conducted by Economic Planning Unit that thirty thousand Malaysian graduates only manage to get casual and temporary work such as cashiers and restaurant workers because of poor English proficiency. This factor hinders them from getting better jobs that are equivalent to their qualifications. The skill requirement for higher level jobs like in executive and managerial level is also increasing. Technical skills in management, business and marketing only are insufficient to qualify employees to be effective ones. As customers' demand, technological changes and competitiveness become important factors in achieving organizational success, job candidates are selected based on various criteria.

In 2004, Malaysian Economic Planning Unit organized a workshop attended by a number of employer representatives from various sectors. The objective of the workshop is to identify the major skills required by employers. There is a general consensus among the representatives that Malaysian graduates are well trained in their area of specialization. But since the economy is influenced by globalization and technological advancement, employers are becoming more demanding in selecting job candidates. The major skills identified as critical to the success of job performance are: communication skills, good command of English, ICT skill, leadership skill, teamwork skill, leadership skill, interpersonal skill and ability to be flexible. These skills are termed as 'employability skills' and they are regarded as critical in choosing candidates for employment.

Harvey (2001) states that graduates with employability skills have higher chance of being employed. His claim is made not only on the basis of "graduate employment statistics" but is also supported by the fact that graduates with employability skills are better equipped and prepared for employment. These skills are demanded by employers because it provides a better match between the students' degree and the opportunity to use and develop skills (CSU, 1998; Institute of Personnel and Development, 1998).

Technological and organizational changes over 25 years have added ICT skills, team working, flexibility, adaptability and problem solving skills (Harvey, 2000). In 2004, Multimedia Development Corporation Malaysia conducted a survey among Multimedia Super Corridor (MSC) status companies (Ungku Harun Al-Rashid, 2004).

The survey finds that the respondents perceive Malaysian ICT graduates as 'average'. The graduates are generally good team players, and having good learning ability. This may indicate that higher education in Malaysia is able to produce employees with the right skills. But the respondents also indicate the major weakness among Malaysian graduates is in communication skills. The need for graduates with flexibility, adaptability and team work spirit is also indicated in the Dearing Report (1997). The report observes a trend in employers who are expecting newly recruited graduates to not only to make significant contribution to their organizations from almost their first day of employment, but they should take responsibility for many other aspects of their careers.

Problem Statement

As the business is heavily influenced by changes in technology, globalization and increased competition, employers are looking for employees with multi skills. Having been equipped with technical skill only is no longer sufficient as the natures of jobs have changed and thus require more skills from the job incumbent. Some organizations have small budget for training and development and this leads to employers being selective in choosing their potential workers. In smaller firms particularly SMEs, most published evidence indicate that their main limitation in providing training and development programs to employees is financial aspect (Lange, Ottens and Taylor, 2000). Due to smaller size of the company, the economies of scale enjoyed from training are much less significant than those enjoyed by the larger counterparts. Consequently, employers are becoming more selective and graduates find it difficult to get employment. What are the major skills required by the employers? Are the students equipped with those skills? The present study designs to examine to what extent graduating UNITAR students possess the employability skills. The findings may give some insights on the educational systems and practices in the university in developing people with the right skills desired for employment as well as the implications for SMEs.

Theoretical Framework

From the literature, a number of major skills required by employers have been discussed. The present study has identified eight major skills required by the employers. Those skills are adaptability to change, communication skill, English language proficiency, ICT skill, team working skill, leadership skill, interpersonal skill and problem solving skill. Demographic variables include age, races, gender, programs and area of specialization. Figure 1 shows all the eight employability skills used in the study.

Employability Skills:
<i>1. Communication Skill</i>
<i>2. English Language Proficiency</i>
<i>3. ICT Skill</i>
<i>4. Team Working Skill</i>
<i>5. Leadership Skill</i>
<i>6. Interpersonal Skill</i>
<i>7. Problem Solving Skill</i>
<i>8. Adaptability/Flexibility Skills</i>

Figure 1: The Conceptual Framework

Communication skills feature in all employer-based research and generally accepted as the most important skill for graduates to have developed during their time at university. The skills involve more than being able to communicate verbally, but also in writing. This skill also includes the ability to persuade and negotiate.

The second variable is *proficiency in English*. The ability to speak, read and write standard English is commonly sought in all job candidates. This ability is very important as employees sometimes are required to prepare reports, make presentations and to communicate with people.

The need to have *ICT skill* is emphasized as the use of information technology is widely used in organizations. For example the use of emails, intranet, internet and software in communication, record keeping and decision making. Employees are expected to be able to use computers in their daily jobs in order to enhance job performance.

Ability to work in team is another important variable for graduate employability. Team members are expected to share responsibilities, confer with others and help others do their jobs. Good team player should be able to work with people of diverse background and to contribute ideas, suggestions and efforts.

The ability to handle responsibility and exhibit *leadership* is another major skill sought in graduates. A survey conducted by Harvey and Bowes (1998) shows that employers prefer candidates who can display their potential for leadership in a work environment. Thus, ability to guide, inspire, listen, influence, direct, supervise and motivate someone is very important to exhibit the potential to be leaders.

The other variable that is important for employability is *interpersonal skill*. The ability of an individual to work well with others or as a member or a group forms an integral part of the graduate skills profile (Assiter, 1995). The individual is expected to be able to develop a rapport with others and form working relationships, manage conflict, respond to people and respect differences.

Problem solving skill is the ability to understand and deal with issues, to reason out things, to identify problems and their causes, to evaluate options and to select the best solutions (Department of Education, Science and Training & Australian National Training Authority, 2002). Holmes (1995) reported that employers want students who can think laterally. They are expected to come up with creative and original solutions.

Adaptability skills are the ability to adjust oneself to different situations and requirements. Being flexible is one of the ability that is demanded since business environment nowadays are dynamic and competitive. Employees who are capable of adapting their skills to different job demands and those who like taking up new challenges are highly valued by their employers.

Research Methodology

Survey Instrument

The data for the study is obtained by distributing questionnaire. The questionnaire consists of three sections namely Section A, Section B and Section C. In Section A, nominal scale is used to gather demographic data such as age, gender, program and area of specialization. Four items are used to measure the English proficiency by indirectly asking for the respondents' preferences of language in different communication settings. Section B consists of 40 items that measure six employability skills. The skills measured in Section B are leadership, communication, team working, problem solving, adaptability and interpersonal. All the items are measured using a five-point Likert scale. Section C measures ICT skills where the respondents are required to self rate their competencies in using word-processing, spreadsheet, presentation, Internet and emails. All the items measured using a five-point Likert scale.

Sampling

The sample units for the study are final year students of Unitar who are undergoing their practical training in organizations and those who are taking major papers in their respective area of specialization. There are two methods in soliciting the feedback from the students. One method is to send the questionnaire to the personal emails of the practical trainees and the second method is to distribute the questionnaire during classes.

Data Analysis

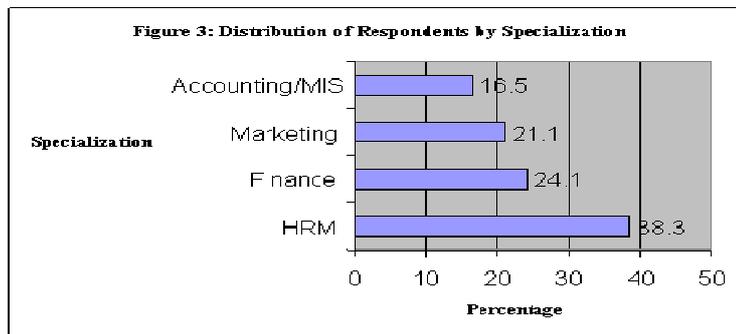
General Background

A total of 91 copies questionnaire were distributed through email to final year students who were undergoing their practical training and 42 to those who are taking major courses. All questionnaires were completed and returned. The average age of the respondents is 23.85 years and Figure 2 shows the distribution based on gender.

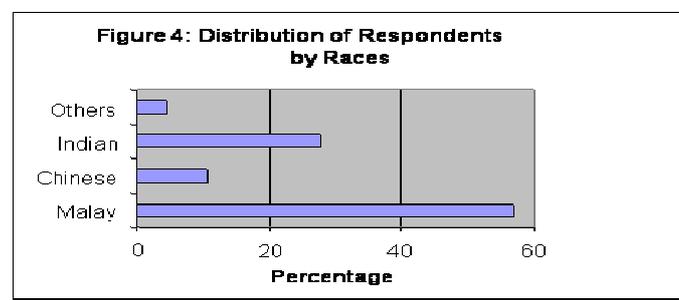
Gender	Male 37 (27.8%)	Female 96 (72.2%)
Average age	23.85 years old	

Figure 2: Distribution of Respondents by Gender and Average Age

All of the respondents were from BBA program that come from various area of specialization. Most of them were in Human Resource Management (HRM) with 38.3%, Finance 24.1%, and Marketing (21.1%) specialization (refer to Figure 3).

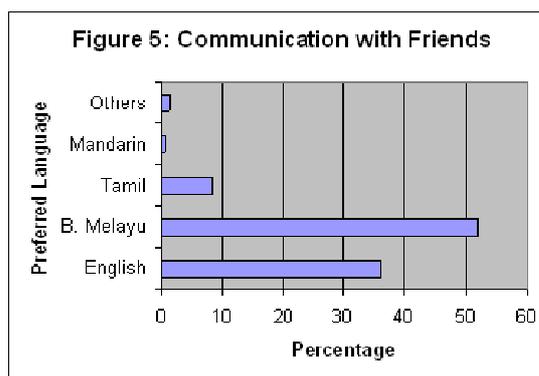


The others were from Accounting and Management Information System (MIS). Of the 133 respondents, 37 (27.8%) were male and 96 (72.2%) were female. In term of race, 76 (57.1%) of the respondents were Malays, 14 (10.5%) were Chinese, 37(27.8) were Indian and 6 from other races (refer to Figure 4).

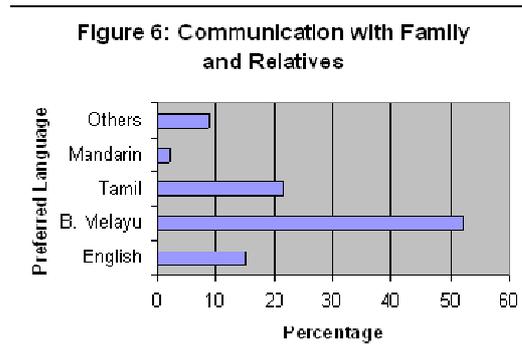


Language proficiency

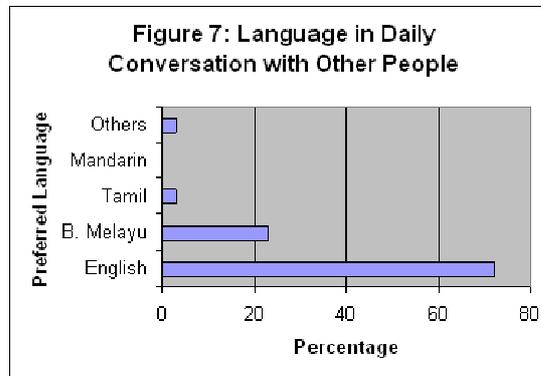
When asked about their preferred language when communicating with friends, 69 (51.9%) respondents indicated that Bahasa Melayu is their preferred language. 47 (36.2%) respondents preferred English as the language to communicate with their friends. This is followed by Tamil with 11 respondents indicated their preference for the language when communicating with their friends. As for the others, one respondent prefer Mandarin and two for other languages (refer to Figure 5).



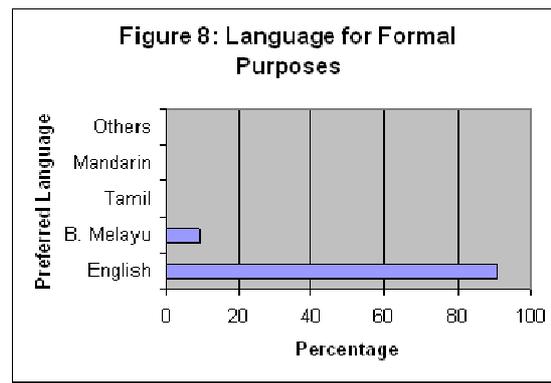
The next question asked about the preferred language for communication with family and relatives. Here, again Bahasa Melayu is the most preferred language with 69 (51.9%) respondents. This is followed by Tamil with 29 (21.8%) respondents and English with 20 (15%) respondents. The remaining 3 (2.3%) respondents indicated Mandarin as their preferred language while the other 12 (9%) preferred other languages (refer to Figure 6).



The following questions asked about the preferred language in daily conversation when dealing with people in campuses, offices, market places etc. Most respondents (72.2%) indicated that English is their preferred language, while 23.3% of respondents preferred Bahasa Melayu. The others preferred Tamil (3%) and other languages (3%) (refer to Figure 7).



The respondents were also asked on their preferred language in writing for formal purposes such as applying for job, writing emails to lecturers and writing formal letters. 121 (91%) respondents pointed out that they preferred English as the language for that purposes. The remaining 12 (9%) respondents preferred Bahasa Melayu as the language for formal purposes. Figure 8 shows the summary for preferred language used by the respondents.



Analysis on Perceived Skills

Factor analysis was used to cluster the variables into relevant groupings. There are 39 items in section B that require the respondents to reflect their opinion and belief on the relevant variables. All the questions were then loaded into factor analysis to combine them into appropriate factor categories. Nine factors were produced – three more than the presumed six factors. Therefore, several items have to be discarded from the analysis to increase reliability. Based on the factor analysis, the items found relevant to each of the variables are as illustrated in Figure 9.

Figure 9: Items Used for Measuring Employability Skills

Employability Skills	Item:
Communication skill	1. I can speak and write clearly so that other understand 2. I can listen and ask questions in order to understand instructions and views of others 3. I have the ability to express my ideas
Leadership skill	7. I have the ability to lead people 8. I am a better leader than a follower 9. I would rather take the lead in formulating a solution 10. I am willing to take ownership and responsibility for my own job 11. I know how to motivate others to work for a common goal
Teamwork	12. I enjoy working as a part of a team 13. I enjoy the 'give and take' in group working 14. I am willing to follow the norms and standards of the group in which I work
Problem Solving Skills	19. I can successfully resolve conflicts with others 20. I try to find effective ways of solving problems 32. I can carry out multiple tasks or projects at a time 33. I am able to identify and suggest alternative ways to achieve goals and get the job done
Interpersonal Skills	25. I can listen to other people's opinions 26. I can work cooperatively with a group of people 27. I can communicate well with others 28. I can get along easily with people 29. When trying to understand the positions of others, I try to place myself in their position 30. I find it easy to make friends
Adaptability Skills	22. I can solve problems on my own without getting assistance from others. 24. I can think and reason logically. 38. I can adapt myself to different situations.

Reliability Analysis

The items were then tested for their reliability through reliability analysis. The Cronbach's Alpha scores of each variable are as depicted in Figure 10.

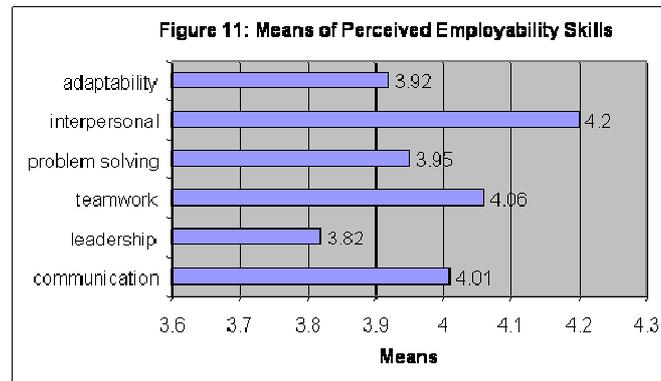
Figure 10: Reliability Analysis for the Variables

Variables	Cronbach's Alpha Score
<i>Communication Skills</i>	0.714
<i>Leadership Skills</i>	0.851
<i>Teamwork</i>	0.834
<i>Problem Solving Skills</i>	0.774
<i>Interpersonal Skills</i>	0.832
<i>Adaptability Skills</i>	0.716

The Cronbach's Alpha score of more than 0.70 showed that the items are reliable in measuring the variables.

Findings on Perceived Skills

This section will report the data findings. The summary for means rating on perceived employability skills are as illustrated in Figure 11.



Communication Skills

To measure communication skill, respondents were asked self rate their skills in the aspects of speaking and writing; listening, asking and expressing ideas. The average mean score of the three items is 4.006. This showed that the respondents believed that they have relatively strong communication skill. The mean scores of 4.05 and 4.08 for the first two questions indicates that the respondents perceived that they have high ability in term of speaking and writing as well as listening and asking.

Leadership Skills

To gauge leadership skills, the respondents were asked on how they perceive their skills in leading people; better being a leader than a follower; prefer to lead in formulating a solution; being responsible; and motivated for a common goal. The average mean score for this variable is 3.816 which indicate that the respondents felt that they above average level of leadership skills. The question on responsibility has the highest mean score (4.17). This shows that the respondents are willing to take ownership and responsibility for their own job. While for the other questions in this part, the mean scores are less than 4.

Ability to Work as a Team

Three items were used to measure the ability of the respondents to work as a team. The items asked the respondents on their perception about the aspects of being a team player; the willingness to give and take; and conforming to the group norms. The average mean score of 4.16 indicates that the respondents believed that they have strong ability to work in teams. All three items have mean scores above 4. Question on team player has the highest mean score of 4.22.

Problem Solving Skills

Four items were developed to measure the problem solving skills of the respondents. The items measure the skills of the respondents in term of conflict resolution; effectiveness of problem solving; multitasking; and ability to identify ways to achieve goals. The average mean score of 3.95 showed that the respondent perceived that they have a high level of problem solving skills. Only one item on effectiveness of problem solving has mean score of more than 4(4.11). The other three items have mean scores of slightly less than 4; 3.88, 3.84, and 3.98 respectively.

Interpersonal Skills

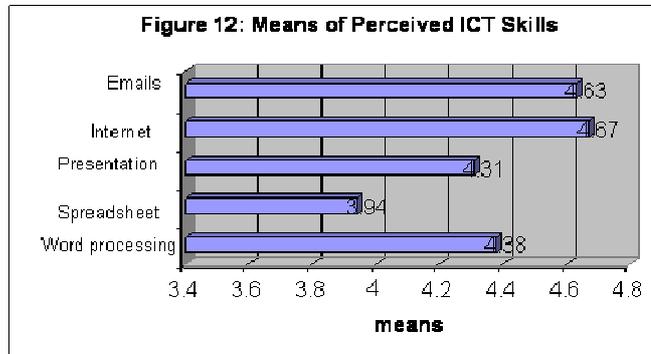
For this variable, six items were used to measure it. These items were used to measure respondents' skills in term of listening; cooperativeness; communication with others; getting along with others; empathy; and ability to make friends. The high average means score of 4.20 means that the respondents felt that they have strong interpersonal skills. All the six items have mean scores of more than 4; 4.37, 4.23, 4.20, 4.17, 4.11, and 4.10 respectively.

Adaptability skills

To measure this variable, three items were used. The items were used to determine the skills of respondents in terms of their ability to solve problems without assistance; ability to reason logically; and adaptability to different situations. The relatively high average mean score of 3.92 indicates that the respondents perceived that they have strong ability in term of adaptability skills. Two of the items have mean scores of more than 4, namely, ability to solve problems without assistance; and adaptability to different situations where the scores for both are 4.06.

Competency in ICT

For competency in ICT, the respondents were asked to rate their ability on the scale of 1 to 5 where 1 is for very incompetent and 5 is for very competent in the terms using word processing, spreadsheet, presentation tools, internet, and emails. Figure 12 shows the summary for the findings.



Word Processing

When asked about their competency in using word processing software, the respondents believed that they have high competency level. This can be seen from high mean score of 4.38. More specifically, 65 (48.9%) of respondents considered themselves as very competent, 48 (36.1%) considered themselves as competent and 16 (12%) considered themselves as average. The remaining 4 (3%) respondents did not give any response.

Spreadsheet

The mean score of 3.94 indicates that the respondents rated themselves as above average in term of competency in using spreadsheet software. 34 (25.6%) respondents rated themselves as very competent in using spreadsheet software, 56 (42.1%) rated themselves as competent, 34 (25.6%) rated themselves as average and 4 (3%) respondents rated themselves as incompetent. The remaining 5 (3.8%) respondents did not give their response.

Presentation Tool

The mean score for this part is 4.31 which indicate that the respondents rated themselves quite high in term using presentation tool such as Microsoft Power Point. 58 (43.6%) of the respondents rated themselves as very competent in using presentation tool, 57 (42.9%) rated themselves as being competent, 10 (7.5%) rated themselves as average and 4 (3%) rated themselves as incompetent. The other 4 (3%) respondents did not answer the question.

Internet

The high mean score of 4.67 means that the respondents rated themselves very high in term competency in using the internet. 88 (66.2%) of the respondents rated themselves as very competent in using the internet, 39 (29.3%) rated themselves as competent, and 2 (1.5%) rated themselves as average. The other 4 (3%) respondents did not give their response.

Email

The mean score for this part is also high (4.63). The respondents considered themselves of having high level of competency in using the email. 88 (66.2%) of the respondents regarded themselves as very competent in using the email, 33 (24.8%) regarded themselves as competent, and 7 (5.3%) regarded themselves as average. The remaining 5 (3.8%) respondents did not give their response.

Discussion & Conclusion

The objective of this study is to measure the perceived employability skills of UNITAR graduating students. In terms of language proficiency, the higher percentage of respondents' preference of using the Malay language in communicating with family and friends is probably due to the higher ratio of Malays compared to other races among the respondents and in the university's population. The Malay language, being the Malays' mother tongue obviously would be more preferred compared to other languages in the informal conversation between the respondents and their family and friends. The respondents' choice of English as the second most preferred language in communication with family and friends is also expected as the language is commonly used by most Malaysians.

English language is used as the medium of instruction in the university thus it is not surprising to see the high percentage of respondents indicating English as their chosen language for formal oral and written communication. The respondents' rating of English as the language of choice for formal purposes is a positive sign as a report in an article entitled "Report: Education Mind Your Language" from Asiaweek (1999) saying that English is turning from a mere useful skill into a prerequisite for access to the best job and highest income. This point is further justified by Jobstreet's report (Chang, 2004) which says that proficiency in English language is a requirement for graduates' marketability.

The positive results for perceived level of communication skills among the students especially in terms of speaking, writing, listening and asking questions reflects the faculty's curricula where students are evaluated based on their presentation skill, participation in class discussions and written answer in exams. Speaking, writing, listening and asking questions are prerequisites for learning ability. The high perceived rating for these four items supports the findings in a study conducted by Multimedia Development Corporation (Ungku Harun Al-Rashid, 2004) that states Malaysian ICT graduates have good learning ability.

The results for perceived leadership skill and team work skill, although above average are still alarming. Employers nowadays expect their workers to work in teams thus a graduate with a good ability to be both, a team player and a leader is more sought after than one who can be either only. The respondents nevertheless, rated high for adaptability skills especially for adaptability to different situations and independence in problem solving. These two characteristics are needed in the market where employers very result oriented yet not willing to invest their time and effort to train new employees (Azizah, 2004).

The above average perceived IT competency rating for all items tested (word processing, spreadsheet, presentation tools, email and the internet) indicates that students are well groomed by the university's e-learning system to blend into today's working environment in which work activities are automated and computerized, and communications are done virtually. However, the finding indicates that the ability to use Spreadsheet is rated the lowest. This can be due to the lack of its use in students' assignments and reports. The other tools such as word processing, power point slides, internet and emails are commonly used in students' course works. This explains why all the respondents perceived that they are competent in using the tools.

From the study, it is found that the students perceived themselves as having the necessary skills required by the employers. However, it is still premature to claim that the students are having high chance to be employed because employers have their own way of assessing job candidates during selection process. Employers particularly in SMEs are more selective due to the fact that they have limited financial resources for training and developing employee skills and talents. University programs should emphasize on instilling the employability skills in students so that the graduates are readily available for SMEs. The fact that SMEs account for more than 90% of the total number of businesses in Malaysia (Zakaria and Hashim, 2003) would surely be taken into highest consideration as this sector would be among the biggest to demand for labor. Another major factor that indicates SMEs are quite reluctant to provide training and development for employees (Lange, Ottens and Taylor, 2000) also signifies that it is high time for universities to produce the right people ready for employment.

Limitations of the Study

The respondents to this study are from the business faculty only thus the results cannot be generalized. Furthermore, data for the study was collected using a closed-ended questionnaire limiting the possibilities of finding a better picture of the perceived employability skills of the university's graduates. Due to the fact that the skills are self reported by the students, the findings have to be analyzed with caution. For future research, it is highly recommended to support the perceived employability skills of the students with other supporting variable such as willingness of employers to hire them. This can be done by soliciting the feedback from the employers that hire the practical training students.

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